

RETHINKING CAPITALISM (GECO/GPOL 5250)

Spring 2016

Time: Wednesday 6:00-7:50 p.m.

Location: 63 Fifth Avenue L104

Course Coordinator

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Introduction

The course explores the phenomenon of capitalism in the contemporary world order from a multidisciplinary perspective. Several aims inform its design. First, we begin by considering the nature of capitalism as a distinct economic system, comprehensive social formation and historic way of organizing nature. Second, we seek to grasp two crucial foundations of capitalism, property and labor, by examining their possible manifestations and presumed antitheses. Third, we analyze the sustainability of reproducing modern capitalism in light of several important contradictions since the 1970s: weakening aggregate demand, growing socioeconomic inequalities and mounting ecological crises. Finally, we end by course by exploring the theme of alternatives: proposals, reforms and trends to limit, reorganize or transcend the contradictions of capitalism. The course addresses these issues through a series of lectures and discussions that reflect diverse intellectual traditions and disciplinary perspectives. The course is organized into four interrelated modules: (1) Introduction to Capitalism (2) Property and Labor (3) Sustainability of Capitalism (4) Alternatives to Existing Capitalist Societies. Each module consists of three classes: two faculty lectures plus one group discussion.

Course Material, Expectations and Assessment

All assigned readings will be available electronically through Canvas. You are expected to read all the required material prior to each class. Suggested further readings are listed in each section if you want to explore a theme in greater depth. You are also encouraged to keep abreast of related current events through newspapers, periodicals and other media. Attendance and participation is worth 25% of your final grade. In addition, you are required to write three short papers (5 pages, double-spaced, 12-point font), which each contribute 25% towards your final grade. To guide your papers, we will provide questions/prompts based on the content of the lectures at the first class for each module. All students must write their first paper in response to "Introductions to Capitalism". However, you can then choose to write your remaining papers on two of the following three modules: "Property and Labor", "Sustainability of Capitalism", and "Alternatives to Existing Capitalist Societies". Your papers are due at the last class, the discussion section, of each module. Your papers will be assessed for their grasp of the material, clarity of exposition and analytical coherence.

Schedule & Readings

Week 1 (January 27): Overview of the course

Introduction to Capitalism

Week 2 (February 3): Johanna Oksala: What is Capitalism? An Introduction

This lecture poses the question of how we should understand capitalism and examines different ways that this question can be answered. We begin by looking at Karl Marx's account of capitalism as an economic system defined by a set of distinct features and we distinguish between different varieties of capitalist economies. We then consider a conception of capitalism that views it as a comprehensive social formation and assess the political consequences of such an expanded conception. Finally, we examine the idea that capitalism should be understood as a historically specific way of organizing nature and study some of the ecological implications of capitalism.

Required:

- Karl Marx, Capital, Volume I, "The Fetishism of Commodities and the Secret Thereof", "The Buying and Selling of Labor-Power", "The Production of Surplus-Value", "The Secret of Primitive Accumulation" and "Historical Tendency of Capitalist Accumulation", in Robert C. Tucker (ed.), *The Marx-Engels Reader* (New York: W.W. Norton, 1978), pp. 319-329, 336-344, 351-361, 431-434 and 436-438.
- Nancy Fraser, "Behind Marx's Hidden Abode: For an Expanded Conception of Capitalism," *New Left Review*, 86 (2014): 55-72.
- Lise Vogel, "The Reproduction of Labor Power," *Marxism and the Oppression of Women: Toward a Unitary Theory* (Chicago: Haymarket Books, 1983), pp. 136-150.
- John Bellamy Foster, *Capitalism against Ecology* (New York: Monthly Review Press, 2002), pp. 9-43.
- William J. Baumol, Robert E. Litan, Carl J. Schram, *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity* (Yale University Press, 2007), pp. 60-92.

Suggested further reading:

- Susan Ferguson and David McNally, "Capital, Labor-Power, and Gender Relations: Introduction to the Historical Materialism Edition of Marxism and the Oppression of Women," *Marxism and the Oppression of Women: Toward a Unitary Theory* (Leiden: Brill, 2013), xvii-xl.
- Johanna Oksala, "Affective Labor and Feminist Politics," *Signs: Journal of Women in Culture and Society*, 41, 2 (2016): 281-303.
- Brigitte Young, "The 'Mistress' and the 'Maid' in the Globalized Economy," *Socialist Register*, 37 (2001): 315-327.
- John Bellamy Foster, "Capitalism and Ecology: The Nature of the Contradiction," *The Ecological Revolution: Making Peace with the Planet* (New York: Monthly Review Press, 2009), pp. 201-212.
- James O'Connor, "The Second Contradiction of Capitalism," *Natural Causes: Essays in Ecological Marxism* (New York: Guilford Press, 1998), pp. 158-177.
- Neil Smith, "Nature as Accumulation Strategy," *Socialist Register*, 43 (2007): 16-36.
- Jason W. Moore, "Environmental Crises and the Metabolic Rift in World-Historical Perspective," *Organization & Environment*, 13, 2 (2000): 123-157.

Week 3 (February 10): Paulo dos Santos, Beyond Money and Its Fetishes: The Constitution, Content, and Contradictions of Contemporary Credit Money

This lecture discusses one of the central social institutions of capitalist economies: money. It outlines the interpretation of money as the monopolist of the ability to buy, and as the characteristically capitalist form of social power, giving its bearers command over labor (power) and over the products of labor in competitive markets. This perspective offers important insights into the social content of capitalist accumulation and the Circuit of Capital. The lecture will also use this perspective on money to develop a distinctive understanding of the origins, constitution, social content, and inherent difficulties of contemporary capitalist money, which is created *ex nihilo* by a private credit-monetary system that is subject to management by a state-run central monetary authority. On these bases, the lecture seeks to cast light onto the social relations and content of contemporary monetary systems.

Required:

- J. Ingham, *The Nature of Money* (Cambridge: Polity Press, 2004), Introduction and Chapters 2, 3, 4.
- Itoh and Lapavistas, *The Political Economy of Money and Finance* (London: McMillan, 1999), Chapter 2.
- C. Lapavistas, *The Social Foundations of Markets, Money, & Credit* (London: Routledge, 2003), Chapters 3 and 4.
- J.M. Keynes, *A Treatise on Money* (New York: Harcourt, Brace, and Company, 1930), Chapter 1.

Suggested further reading:

- K. Marx, *Capital, Volume I* (1867), Chapters 1–3.
- _____, *A Contribution to the Critique of Political Economy* (1859), Chapter 2.
- J.M. Keynes, *Treatise on Money* (19**), Chapters 2 and 3.
- G. Epstein, “Financialization, Rentier Interests, and Central Bank Policy,” PERI Working Paper (2002).

Week 4 (February 17): Discussion

Property & Labor

Week 5 (February 24): Julia Ott: Property

Classical liberalism and neoclassical economics both view property—and property rights—as the foundation to capitalism. Historically, the notion of private property emerged out of the context of the enclosures that signaled the emergence of capitalism in early modern England. What happens if we jettison this ‘classical liberal model’ of property, in which a person, real or legal, holds exclusive title to a thing? What if we broaden our scope to consider how other socially-recognized rights and entitlements produce and structure claims on economic value? This lecture recounts the history of capitalism in the United States making use of an expanded concept of property that is grounded in historically-specific social relations.

Required:

- John Locke, "Of Property," (chapter 5) in idem, *Second Treatise of Government* (1689), p. 115-126 <http://socserv.mcmaster.ca/econ/ugcm/3ll3/locke/government.pdf>
- Chris Hann, "Property" (chapter 7) in James G. Carrier (ed.), *A Handbook of Economic Anthropology* (2005), pp. 110-124.
- Caroline Humphrey and Katherine Verdery, "Introduction: Raising Questions about Property," in Katherine Verdery and Caroline Humphrey (eds), *Property in Question: Value Transformation in the Global Economy* (2004).
- Pierre Bourdieu, "The Forms of Capital," in Mark Granovetter and Richard Swedberg (eds), *The Sociology of Economic Life* (New York: Westview Press, 2001), pp. 96-111.
- Walter Johnson, "Making a World Out of Slaves," in *Soul by Soul: Life Inside the Antebellum Slave Market* (Harvard University Press, 1999), pp. 278-116.
- Nathan Connolly, "Games of Chance: Jim Crow's Entrepreneurs Bet on 'Negro' Law and Order," in Kim Phillips-Fein and Julian E. Zelizer (eds), *What's Good for Business: Business and American Politics since World War II* (New York: Oxford University Press, 2012), pp. 140-156.
- Kathy Peiss, "Making Faces: The Cosmetic Industry and the Cultural Construction of Gender, 1890-1930," in *Unequal Sisters*, pp. 324-342.
- George Lipsitz, "The possessive investment in whiteness: Racialized social democracy and the 'white' problem in American studies," *American Quarterly* (1995): 369-387.
- Catherine Hall, "Gendering Property, Racing Capital," *History Workshop Journal* 78, 1 (October 2014): 22-38.

Suggested further reading:

- Cheryl I. Harris, "Whiteness as Property," *Harvard Law Review*, 106, 8 (1993).
- Ira Katznelson, *When Affirmative Action Was White: the untold history of racial inequality in twentieth century America* (New York: Norton, 2006).

Week 6 (March 2): Gustav Peebles: Labor

A floating and "free" labor force has long been considered a vital pillar of capitalism. Indeed, Marx is insistent that, since surplus value emerges from labor, capitalism cannot thrive, or even exist, without it. But what of the role of labor's opposite, idleness? This lecture will begin by working through the arguments and historical conditions that have built up a belief in the centrality of labor; it will then move onto a consideration of the role of, for lack of a better term, non-labor, in the historical development of capitalism. To do so, we will probe the dangerous, but all too common, notion of the (supposedly) non-laboring "parasite," as critiqued by forces from both the left and the right ends of the ideological spectrum (the former critique bankers as parasites, the latter critique the lumpenproletariat as parasites). In asking why the figure of the parasite keeps emerging, the lecture will consider the role of time, and people's orientations toward it, as reflected by such seemingly humdrum instruments as interest rates.

Required:

- Friedrich Engels, "Part Played by Labor in the Transition from Ape to Man," in *The Origin of the Family, Private Property and the State* (New York: International Publishers), pp. 251-264.
- Karl Marx, *Capital: A Critique of Political Economy, Volume I* (New York: Vintage Books), pp. 931-940.

- Paul Lafargue, *The Right to be Lazy* (1883), available at <http://theanarchistlibrary.org/library/paul-lafargue-the-right-to-be-lazy>
- Jeremy Bentham, *In Defence of Usury*, available at <http://www.econlib.org/library/Bentham/bnthUs.html>
- Sophie Day, Akis Papataxiarchis and Michael Stewart, “Consider the Lilies of the Field,” in idem (eds), *Lilies of the Field: Marginal People Who Live for the Moment* (Boulder: Westview Press, 1999) pp. 1-24.
- E.P. Thompson, “Time, Work-Discipline and Industrial Capitalism,” in *Customs in Common: Studies in Traditional Popular Culture* (New York: The New Press, 1993), pp. 352-403.
- Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Washington: Regnery Publishing, Inc.), pp. 3-24 and 890-899.

Suggested further reading:

- Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (New York: Penguin, 2002)
- Raymond Williams, *The Country and the City* (New York: Oxford University Press, 1975), pp. 279-288.
- Juliet Schor, *Plenitude: the new economics of true wealth* (New York: Penguin, 2010)
- Kathi Weeks, *The Problem with Work: feminism, Marxism, antiwork politics and postwork imaginaries* (Durham, NC: Duke University Press, 2011)

Week 7 (March 9): Discussion

Sustainability of Capitalism

Week 8 (March 16): Mark Setterfield: Inequality, Household Debt, and Aggregate Demand: Is Modern Capitalism Sustainable?

This lecture will examine the process of demand formation in capitalist economies, with a particular focus on contemporary developments and their sustainability. Particular attention will be paid to the interplay of growing inequality, emulation effects, erosion of the social wage, household debt accumulation and the evolution of consumption spending. The questionable sustainability of these processes will give rise to a discussion of initiatives that might alter the process of demand-formation so as to make it both more equitable and more sustainable.

Required:

- B.Z. Cynamon and S. Fazzari, “Household Debt in the Consumer Age: Source of Growth—Risk of Collapse,” *Capitalism and Society*, 3, 2 (2008); and D. Korty, “Comment on Household Debt in the Consumer age,” *Capitalism and Society*, 3, 3 (2008).
- T.I. Palley, “Economic Contradictions Coming Home to Roost? Does the US Economy Face a Long-Term Aggregate Demand Generation Problem?” *Journal of Post Keynesian Economics*, 25, 1 (2002): 9-32.
- M. Setterfield, “Balancing the Macroeconomic Books on the Backs of Workers: A Simple Analytical Political Economy Model of Contemporary US Capitalism,” *International Journal of Political Economy*, 35, 3 (2006): 46-63; Erratum, *International Journal of Political Economy*, 37, 4, 104 (2008-09).

- M. Setterfield, “Wages, Demand and US Macroeconomic Travails: Diagnosis and Prognosis,” in B.Z. Cynamon, S.M. Fazzari and M. Setterfield (eds) *After the Great Recession* (Cambridge, Cambridge University Press, 2013), pp. 158-84.

Suggested further reading:

- Barba and M. Pivetti, “Rising household debt: Its causes and macroeconomic implications: a long-period analysis,” *Cambridge Journal of Economics*, 33, 1 (2009): 113–137.
- S. Bartolini, L. Bonatti, and F. Sarracino, “The Great Recession and the bulimia of us consumers: deep causes and possible ways out,” *Cambridge Journal of Economics*, 38 (2014): 1015–1042.
- Brown, *Inequality, Consumer Credit and the Saving Puzzle* (Cheltenham: Edward Elgar, 2008).
- B.Z. Cynamon, S. Fazzari, and M. Setterfield, “How the Great Moderation became a (contained) depression and what to do about it,” *The World Financial Review*, March 14, 2013: 10-14.
- J.D. Wisman, “Wage stagnation, rising inequality and the financial crisis of 2008,” *Cambridge Journal of Economics*, 37, 4 (2013): 921–945.

*****Spring Break: March 21-25*****

Week 9 (March 30): Daniel Boscov-Ellen: Capitalism and Ecology

Is capitalism sustainable? Many thinkers, from Smith, Ricardo, and Marx through to the present day, have answered this question in the negative. However, prognostications of capitalism’s impending demise have consistently failed to materialize. Is our contemporary situation any different, and if so, how? This lecture examines the question of capitalism’s future prospects with respect to its ecological conditions of reproduction, considering the relationship between the core logic of capitalist accumulation and its interlinked (and possibly cumulative) crises, as well as the opaque connection between these dynamics and political possibility.

Required:

- Bruno Latour, “On Some of the Affects of Capitalism,” lecture given at the Royal Academy, Copenhagen (26 February 2014), pp. 1-13.
- Elmar Altvater, “The Social and Natural Environment of Fossil Capitalism,” in Leo Panitch and Colin Leys (eds), *Coming to Terms with Nature* (New York: Monthly Review Press, 2007): 38-59.
- Neil Smith, “Nature as Accumulation Strategy,” in Leo Panitch and Colin Leys (eds), *Coming to Terms with Nature* (New York: Monthly Review Press, 2007): 6-36.
- Jason Moore, “Historical Capitalism, Historical Nature,” in idem, *Capitalism in the Web of Life* (New York: Verso, 2015), pp. 91-168.

Suggested further reading:

- Andreas Malm, “The Origins of Fossil Capitalism,” *Historical Materialism*, 21, 1 (2013): 15-68.
- Matthew Huber, “Energizing Historical Materialism,” *Geoforum*, 40, 1 (2009): 105-115.
- Brett Clark and Richard York, “Carbon Metabolism,” *Theory and Society*, 34, 4 (2005): 391-428.

- James O'Connor, "The Second Contradiction of Capitalism," *Natural Causes* (New York: Guilford Publications, 1998), pp. 158-177.
- Dipesh Chakrabarty, "Postcolonial Studies and the Challenge of Climate Change," *New Literary History*, 43, 1 (2012): 1-18.

Week 10 (April 6): Discussion

Alternatives to Existing Capitalist Societies

Week 11 (April 13): Guest Speaker (tbc): Alternatives in the Global North

Week 12 (April 20): Sanjay Ruparelia: Alternatives in the Global South

This lecture analyzes patterns of capital accumulation, socioeconomic inequalities and political counter-movements in the global South over the last few decades. Following WWII, many countries in Latin America, Asia and Africa pursued a model of state-guided late capitalist development. They also constructed a variety of social welfare regimes, from the productivist-capitalist regimes in East Asia and liberal corporatist systems in Latin America to informal security arrangements in South Asia and Sub-Saharan Africa. The varying shortcomings of these developmental models and welfare regimes by the 1970s, and pursuit of neoliberal economic policies in the 1980s, generated rising socioeconomic inequalities within most countries across the global South. Yet the last three decades have also witnessed new patterns of growth and industrialization, reconfiguring North-South relations, as well as diverse attempts to limit capitalist dispossession, from popular legal activism, participatory budgeting and new workers movements to campaigns for greater public transparency, conditional cash transfers and unconditional basic income.

Required:

- Richard Sandbrook, Marc Edelman, Patrick Heller and Judith Teichman, *Social Democracy in the Global Periphery: Origins, Challenges, Prospects* (Cambridge: Cambridge University Press, 2007), pp. 3-34.
- Erik Olin Wright, "Transforming Capitalism through Real Utopias," *American Sociological Review*, XX, X (2012): 1-25.
- Lena Lavinas, "21st Century Welfare," *New Left Review*, II/84 (November-December 2013): 5-40.
- François Bourguignon, *The Globalization of Inequality* (Princeton: Princeton University Press, 2015), pp. 146-183.
- James Ferguson, *Give a Man a Fish: the New Politics of Distribution in Southern Africa (and Beyond)* (Duke University Press, 2015), pp. 1-33.

Suggested further reading:

- Deepak Nayyar, "The South in the World Economy: past, present and future," *Human Development Report Office Occasional Paper 2013/01*, United Nations Development Programme: 1-16.
- David Harvey, "Prospects for a Happy Future: Co-Evolution through Perpetual Revolution," in *Seventeen Contradictions and the End of Capitalism* (London: Profile Books, 2014), pp. 282-297.

- Carlos A. Forment, “Argentina’s Recuperated Factory Movement and Citizenship: An Arendtian Perspective,” in Mario Sznajder, Luis Roniger and Carlos A. Forment (eds), *Shifting Frontiers of Citizenship: The Latin American Experience* (Brill, 2013)
- Miguel Carter, “Challenging Social Inequality: Contention, Context, and Consequences,” in Miguel Carter (ed.), *Challenging Social Inequality: The Landless Rural Workers Movement and Agrarian Reform in Brazil* (Durham: Duke University Press, 2015), pp. 390-412.
- Antony B. Atkinson, “Can we reduce income inequality in OECD countries?” *Empirica*, 42, 2 (May 2015): 211-223.
- Antony B. Atkinson, *Inequality: What Can Be Done?* (Cambridge: Harvard University Press, 2015).

Week 13 (April 27): Discussion

Week 14 (May 4): Reflecting on Trends, Contradictions and Alternatives

Week 15 (May 11): Conclusion